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O 021917Z MAR 09  
FM AMCONSUL SAO PAULO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8984  
INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE  
RUEHBR/AMEMBASSY BRASILIA PRIORITY 0139  
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 9041

UNCLAS SAO PAULO 000118

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SUBJECT: MEDIA REACTION - MIDEAST: ISRAEL, FORMATION OF NEW  
GOVERNMENT; GLOBAL ECONOMY: FINANCIAL MARKET CRISIS; STIMULUS  
PACKAGES; PROTECTIONISM; SAO PAULO

"Time to wait"

Editorial in liberal A Folha de S. Paulo (3-2) says: "Each day there is less probability that Israel forms a coalition government....Without Kadima's support, Likud is left with the option of leading a more radical and nationalist government, leaning towards the opposition to any substantial concession to the Palestinians and the peace process...Either way, on the Israeli side as on the Palestinian side, the new political scene will be determined by the concrete results from the political distension with Iran launched by new US President, Barack Obama."

"Obama's budget"

Editorial in center-right O Estado de S. Paulo (3-2) states:  
"....United States President, Barack Obama, began to fulfill his campaign promises when he presented the main points of his budget proposal for the fiscal year 2010.....Obama's explicit commitment is to reduce the U.S. deficit in the upcoming years..... During his campaign, Obama did not make any commitment to open the American market more and to contribute to the trade liberalization....Obama will have to negotiate his first budget in an environment filled with a lot of pessimism."  
WHITE